

By: Carona
(Anchia)

S.B. No. 1125

Substitute the following for S.B. No. 1125:

By: J. Davis of Harris

C.S.S.B. No. 1125

A BILL TO BE ENTITLED

1 AN ACT

2 relating to energy efficiency goals and programs, public
3 information regarding energy efficiency programs, and the
4 participation of loads in certain energy markets.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 39.905, Utilities Code, is amended by
7 amending Subsections (a) and (b) and adding Subsections (h), (i),
8 (j), and (k) to read as follows:

9 (a) It is the goal of the legislature that:

10 (1) electric utilities will administer energy
11 efficiency incentive programs in a market-neutral,
12 nondiscriminatory manner but will not offer underlying competitive
13 services;

14 (2) all customers, in all customer classes, will have
15 a choice of and access to energy efficiency alternatives and other
16 choices from the market that allow each customer to reduce energy
17 consumption, summer and winter peak demand, or energy costs;

18 (3) each electric utility annually will provide,
19 through market-based standard offer programs or through [~~limited,~~
20 targeted[~~7~~] market-transformation programs, incentives sufficient
21 for retail electric providers and competitive energy service
22 providers to acquire additional cost-effective energy efficiency,
23 subject to cost ceilings established by the commission, for the
24 utility's residential and commercial customers equivalent to [~~at~~

1 least]:

2 (A) not less than:

3 (i) 30 [~~10~~] percent of the electric
4 utility's annual growth in demand of residential and commercial
5 customers by December 31 of each year beginning with the 2013
6 calendar year; and

7 (ii) the amount of energy efficiency to be
8 acquired for the utility's residential and commercial customers for
9 the most recent preceding year [~~7, 2007~~]; and

10 (B) for an electric utility whose amount of
11 energy efficiency to be acquired under this subsection is
12 equivalent to at least four-tenths of one percent of the electric
13 utility's summer weather-adjusted peak demand for residential and
14 commercial customers in the previous calendar year, not less than:

15 (i) four-tenths of one percent of the
16 utility's summer weather-adjusted peak demand for residential and
17 commercial customers by December 31 of each subsequent year; and

18 (ii) the amount of energy efficiency to be
19 acquired for the utility's residential and commercial customers for
20 the most recent preceding year [~~15 percent of the electric~~
21 ~~utility's annual growth in demand of residential and commercial~~
22 ~~customers by December 31, 2008, provided that the electric~~
23 ~~utility's program expenditures for 2008 funding may not be greater~~
24 ~~than 75 percent above the utility's program budget for 2007 for~~
25 ~~residential and commercial customers, as included in the April 1,~~
26 ~~2006, filing; and~~

27 [~~(C) 20 percent of the electric utility's annual~~

~~1 growth in demand of residential and commercial customers by
2 December 31, 2009, provided that the electric utility's program
3 expenditures for 2009 funding may not be greater than 150 percent
4 above the utility's program budget for 2007 for residential and
5 commercial customers, as included in the April 1, 2006, filing];~~

6 (4) each electric utility in the ERCOT region shall
7 use its best efforts to encourage and facilitate the involvement of
8 the region's retail electric providers in the delivery of
9 efficiency programs and demand response programs under this
10 section, including programs for demand-side renewable energy
11 systems that:

12 (A) use distributed renewable generation, as
13 defined by Section 39.916; or

14 (B) reduce the need for energy consumption by
15 using a renewable energy technology, a geothermal heat pump, a
16 solar water heater, or another natural mechanism of the
17 environment;

18 (5) retail electric providers in the ERCOT region, and
19 electric utilities outside of the ERCOT region, shall provide
20 customers with energy efficiency educational materials; and

21 (6) notwithstanding Subsection (a)(3), electric
22 utilities shall continue to make available, at 2007 funding and
23 participation levels, any load management standard offer programs
24 developed for industrial customers and implemented prior to May 1,
25 2007.

26 (b) The commission shall provide oversight and adopt rules
27 and procedures to ensure that the utilities can achieve the goal of

1 this section, including:

2 (1) establishing an energy efficiency cost recovery
3 factor for ensuring timely and reasonable cost recovery for utility
4 expenditures made to satisfy the goal of this section;

5 (2) establishing an incentive under Section 36.204 to
6 reward utilities administering programs under this section that
7 exceed the minimum goals established by this section;

8 (3) providing a utility that is unable to establish an
9 energy efficiency cost recovery factor in a timely manner due to a
10 rate freeze with a mechanism to enable the utility to:

11 (A) defer the costs of complying with this
12 section; and

13 (B) recover the deferred costs through an energy
14 efficiency cost recovery factor on the expiration of the rate
15 freeze period;

16 (4) ensuring that the costs associated with programs
17 provided under this section and any shareholder bonus awarded are
18 borne by the customer classes that receive the services under the
19 programs; ~~and~~

20 (5) ensuring the program rules encourage the value of
21 the incentives to be passed on to the end-use customer;

22 (6) ensuring that programs are evaluated, measured,
23 and verified using a framework established by the commission that
24 promotes effective program design and consistent and streamlined
25 reporting; and

26 (7) ensuring that an independent organization
27 certified under Section 39.151 allows load participation in all

1 energy markets for residential, commercial, and industrial
2 customer classes, either directly or through aggregators of retail
3 customers, to the extent that load participation by each of those
4 customer classes complies with reasonable requirements adopted by
5 the organization relating to the reliability and adequacy of the
6 regional electric network and in a manner that will increase market
7 efficiency, competition, and customer benefits.

8 (h) For an electric utility operating in an area not open to
9 competition, the utility may achieve the goal of this section by:

10 (1) providing rebate or incentive funds directly to
11 customers to promote or facilitate the success of programs
12 implemented under this section; or

13 (2) developing, subject to commission approval, new
14 programs other than standard offer programs and market
15 transformation programs, to the extent that the new programs
16 satisfy the same cost-effectiveness requirements as standard offer
17 programs and market transformation programs.

18 (i) For an electric utility operating in an area open to
19 competition, on demonstration to the commission, after a contested
20 case hearing, that the requirements under Subsection (a) cannot be
21 met in a rural area through retail electric providers or
22 competitive energy service providers, the utility may achieve the
23 goal of this section by providing rebate or incentive funds
24 directly to customers in the rural area to promote or facilitate the
25 success of programs implemented under this section.

26 (j) An electric utility may use energy audit programs to
27 achieve the goal of this section if:

1 (1) the programs do not constitute more than three
2 percent of total program costs under this section; and

3 (2) the addition of the programs does not cause a
4 utility's portfolio of programs to no longer be cost-effective.

5 (k) To help a residential or nongovernmental nonprofit
6 customer make informed decisions regarding energy efficiency, the
7 commission may consider program designs that ensure, to the extent
8 practicable, the customer is provided with information using
9 standardized forms and terms that allow the customer to compare
10 offers for varying degrees of energy efficiency attainable using a
11 measure the customer is considering by cost, estimated energy
12 savings, and payback periods.

13 SECTION 2. Subchapter Z, Chapter 39, Utilities Code, is
14 amended by adding Section 39.9054 to read as follows:

15 Sec. 39.9054. ENERGY EFFICIENCY PLANS AND REPORTS; PUBLIC
16 INFORMATION. (a) An electric utility shall submit electronically
17 an energy efficiency plan and report in a searchable form
18 prescribed by the commission on or before April 1 of each year. The
19 commission by rule shall adopt a form that will permit the public to
20 easily compare information submitted by different electric
21 utilities. The plan and report must:

22 (1) provide information on the utility's performance
23 in achieving energy efficiency goals for the previous five years;

24 (2) describe how the utility intends to achieve future
25 goals; and

26 (3) provide any other information the commission
27 considers relevant.

1 (b) On the Internet website found at
2 <http://www.puc.state.tx.us>, the commission shall publish
3 information on energy efficiency programs, including:

4 (1) an explanation of the goal for energy efficiency
5 in this state;

6 (2) a description of the types of energy efficiency
7 programs available to certain classes of eligible customers;

8 (3) a link to the plans and reports filed as prescribed
9 by Subsection (a); and

10 (4) a list of persons who install or provide energy
11 efficiency measures or services by area.

12 (c) This section does not require the commission to warrant
13 that the list required to be displayed under Subsection (b)
14 constitutes a complete or accurate list of all persons who install
15 energy efficiency measures or services in the marketplace.

16 SECTION 3. Section 39.905(b-2), Utilities Code, is
17 repealed.

18 SECTION 4. This Act takes effect September 1, 2011.